

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street, Room 833
Dallas, Texas 75202



Division of Medicaid & Children's Health, Region VI

August 19, 2011

Our Reference: SPA TX 10-61

Mr. Billy Millwee
Associate Commissioner for Medicaid & CHIP
Health and Human Services Commission
Post Office Box 13247
Mail Code: H100
Austin, Texas 78711

Dear Mr. Millwee:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 10-61, dated December 23, 2010. This state plan amendment updates the Medicaid reimbursement methodology for Federally Qualified Health Centers (FQHCs). Specifically, the state plan amendment (SPA) updates the reimbursement methodology for setting interim rates, adjusts the cost methodology for interim rates and describes the rate setting methodology for out of state FQHCs and FQHCs with a change of ownership. The SPA also describes the methodology for reimbursement selection for a new FQHC and how they may change their selection in the future.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of October 2, 2010. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.

If you have any questions, please contact Cheryl Rupley at (214) 767-6278.

Sincerely,

/s/

Bill Brooks
Associate Regional Administrator

Enclosures

cc: Emily Zalkovsky, Policy Development Support